

In re) Fair Hearing No. 15,473
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Appeal of)

The petitioner appeals a decision by the Department of Social Welfare denying her application for Vermont Health Access Program (VHAP) benefits because she has other insurance which covers both doctors and hospitals.

1. The petitioner is a sixty-two-year-old woman whose only personal source of income is Social Security benefits of \$406 per month. She lives with her husband but did not offer any evidence regarding his income. However, documents in the case indicate that he has been found eligible for the VHAP-pharmacy program so the couple's total countable income must be less than 150% of the federal poverty level or less than \$1,357 per month.

2. The petitioner was employed until January of last year when she had foot surgery. She tried to come back to her job in March but they could not afford to keep her. On her job she had health insurance covering hospital and doctor's bills through a managed health care program (Kaiser Permanente/CHP).

3. After she left employment, the petitioner was eligible to continue her health insurance coverage and did

so in February of 1998. Recently she changed from an 18 month limited COBRA plan to an individual self-pay non-group plan for the same price with a higher co-payment which she thinks she can continue indefinitely. The premium for her coverage is \$172.08 per month with a \$2,000 co-payment for in-patient hospitalization, a \$1,000 co-payment for outpatient surgery and a \$20 co-payment for doctor's visits.

4. The petitioner applied for VHAP coverage on March 3, 1998, and was denied on April 1, 1998, because she has insurance. She agrees that she has continued insurance coverage because she fears going without it but she feels that the cost and co-payments are oppressive for a low-income person.

ORDER

The decision of the Department is affirmed.

REASONS

VHAP (the Vermont Health Access Plan) was created for the purpose of "providing expanded access to health care benefits for uninsured low-income Vermonters." W.A.M. 4000. In order to be eligible, an individual must meet several eligibility requirements, including the following:

Uninsured or Underinsured

An individual meets this requirement if he/she does not

qualify for Medicare, does not have other insurance that includes both hospital and physician services, and did not have such insurance within the 12 months prior to the month of application. The requirement that the applicant not have had such insurance during this 12-month period is waived if the department has agreed to pay all costs of insurance because it is found it is cost-effective to do so or if the individual lost access to employer-sponsored insurance during this period because of:

- (a) loss of employment, or
- (b) death or divorce, or
- (c) loss of eligibility for coverage as a dependent under a policy held by the individual's parent(s).

. . .

W.A.M. 4001.2

The petitioner currently has insurance that includes both hospital and physician services. As such, she is clearly ineligible for VHAP at this time. The unanswered question for the petitioner is whether or not she would be eligible for VHAP if she dropped her insurance coverage. Would the Department have considered her to have lost her employer-sponsored health insurance when she had to start paying as an individual after she lost her employment? Is the relatively high cost of this private insurance compared to her income a factor for the Department? Are the large deductibles a factor?

The petitioner is encouraged to discuss this matter with her worker and also to consult with legal assistance or a private attorney to see if she has some solution for obtaining health coverage besides the large premium she is

paying now. The petitioner should be aware that she can ask the Department for a written declaration of how her situation would be treated if she dropped this coverage. As it stands now, she has insurance and the Department was correct in denying her VHAP coverage under its regulations and its decision must be upheld by the Board. 3 V.S.A. § 3091(d), Fair Hearing Rule No. 17.

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